

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ZIONS BANCORPORATION,

No. C 10-3481 CW

Plaintiff,

v.

U.S. ETHERNET INNOVATIONS, LLC,

Defendant.

U.S. ETHERNET INNOVATIONS, LLC,

No. C 10-3724 CW

Plaintiff,

v.

ACER, INC.; ACER AMERICA
CORPORATION; APPLE, INC.; ASUS
COMPUTER INTERNATIONAL; ASUSTEK
COMPUTER, INC.; DELL, INC.;
FUJITSU, LTD.; FUJITSU AMERICA,
INC.; GATEWAY, INC.; HEWLETT
PACKARD CO.; SONY CORPORATION;
SONY CORPORATION OF AMERICA; SONY
ELECTRONICS INC.; TOSHIBA
CORPORATION; TOSHIBA AMERICA,
INC.; and TOSHIBA AMERICA
INFORMATION SYSTEMS, INC.,

Defendants.

INTEL CORPORATION; NVIDIA
CORPORATION; MARVELL
SEMICONDUCTOR, INC.; Atheros
COMMUNICATIONS, INC.; and
BROADCOM CORPORATION,

Intervenors.

U.S. ETHERNET INNOVATIONS, LLC,,

Plaintiff,

v.

AT&T MOBILITY LLC; BARNES &
NOBLE, INC.; CLAIRE'S BOUTIQUES,
INC.; J. C. PENNEY COMPANY, INC.;
SALLY BEAUTY HOLDINGS, INC.; ANN
TAYLOR STORES CORPORATION; ANN
TAYLOR RETAIL, INC.; HARLEY-
DAVIDSON, INC.; HARLEY-DAVIDSON
MOTOR COMPANY, INC.; KIRKLAND'S
INC.; KIRKLAND'S STORES, INC.;
MACY'S, INC.; MACY'S RETAIL
HOLDINGS, INC.; MACY'S WEST
STORES, INC.; NEW YORK & COMPANY,
INC.; LERNER NEW YORK, INC.;
RADIOSHACK CORPORATION; RENT-A-
CENTER, INC.; and THE DRESS BARN,
INC.,

Defendants.

AND ALL RELATED CLAIMS AND
COUNTERCLAIMS

No. C 10-5254 CW

ORDER DENYING ACER
DEFENDANTS AND
INTERVENORS' JOINT
MOTION FOR LEAVE
TO FILE A MOTION
FOR
RECONSIDERATION
(Docket No. 675 in
10-3724) AND
STAYING IN PART
CLAIMS AGAINST
AT&T DEFENDANTS
AND ZIONS
BANCORPORATION
(Docket Nos. 154
in 10-3481, 674 in
10-3724 and 404 in
10-5254)

Acer Defendants¹ and Intervenor move for leave to file a
motion for reconsideration of the Court's December 7, 2012 Order.

¹ For the purposes of this Order, the Court uses the following terminology: (1) Intervenor for Atheros Communications, Inc., Intel Corporation, Marvel Semiconductor, Inc., NVIDIA Corporation and Broadcom Corporation; (2) Acer Defendants for Acer, Inc., Acer America Corporation, Apple, Inc., ASUS Computer International, ASUSTeK Computer, Inc., Dell, Inc., Fujitsu Ltd., Fujitsu America, Inc., Gateway, Inc., Hewlett Packard Co., Sony Corporation; Sony Corporation of America, Sony Electronics Inc., Toshiba Corporation, Toshiba America, Inc., and Toshiba America Information Systems, Inc.; (3) AT&T Defendants for AT&T Mobility, LLC; Barnes & Noble, Inc., Claire's Boutiques, Inc., J.C. Penney Company, Inc., Sally Beauty Holdings, Inc., Ann Taylor Stores Corporation, Ann Taylor Retail, Inc., Harley-Davidson, Inc., Harley-Davidson Motor Company, Inc., Kirkland's Inc., Kirkland's Stores, Inc., Macy's, Inc., Macy's Retail Holdings, Inc., Macy's West Stores, Inc., New York & Company, Inc., Lerner New York, Inc., RadioShack Corporation, Rent-A-Center, Inc., The Dress Barn, Inc.; and (4) Defendants for Acer Defendants, AT&T Defendants and

1 USEI opposes their motion. Pursuant to that order, USEI, AT&T
2 Defendants and Zions Bancorporation have also filed supplemental
3 briefs addressing whether the claims involving AT&T Defendants and
4 Zions Bancorporation should remain stayed pending resolution of
5 the claims involving Acer Defendants and Intervenor. Having
6 considered the papers filed by the parties, the Court DENIES the
7 motion for leave to file a motion for reconsideration and EXTENDS
8 the stay as to claims involving AT&T Defendants and Zions
9 Bancorporation, except as to AT&T Mobility, LLC to the extent that
10 such claims involve the AT&T U-verse set-top box.

11 I. Acer Defendants and Intervenor's Motion for Leave to File a
12 Motion for Reconsideration of the December 7, 2012 Order

13 Acer Defendants and Intervenor seek leave to file a motion
14 for reconsideration of the Court's December 7, 2012 Order in which
15 the Court declined to sever the claims involving the Intervenor
16 and Acer Defendants and to stay the claims against Acer
17 Defendants. They argue that reconsideration is warranted under
18 Civil Local Rule 7-9(b)(1), which provides that a party may ask a
19 court to reconsider an interlocutory order if it can specifically
20 show, among other things, that "at the time of the motion for
21 leave, a material difference in fact or law exists from that which
22 was presented to the Court before entry of the interlocutory order
23 for which reconsideration is sought," and that "in the exercise of
24 reasonable diligence the party applying for reconsideration did
25 not know such fact or law at the time of the interlocutory order."
26 Civil L.R. 7-9(b)(1).

27
28 Zions Bancorporation collectively. The Court refers to U.S.
Ethernet Innovations, Inc. as USEI.

1 Acer Defendants and Intervenor argue that there are two
2 material differences in fact or law from the circumstances at the
3 time that they filed their original motion to sever and stay that
4 warrant reconsideration of the Court's December 7, 2012 Order.

5 First, they argue that their "prior arguments did not have
6 the benefit of the Court's two claim construction orders that
7 confirm that the patents are directed to network adapter chips,
8 not computers," and that the judge previously assigned to these
9 cases had stated that "he would use claim construction to assist
10 him deciding how to structure the case." Mot. at 1, 6. In the
11 December 7, 2012 Order, the Court deemed the parties' case
12 management statement to be their renewed motion to sever and stay.
13 In that statement, Acer Defendants and Intervenor addressed the
14 claim construction orders and explained why they believed that
15 these demonstrated that the relevant technology was limited to
16 that of the Intervenor. In resolving the renewed motion, the
17 Court reviewed the claim construction orders, among other things.
18 In the instant motion, Acer Defendants and Intervenor do not
19 raise any issue regarding the claim construction orders that they
20 did not raise previously in their statement or that they could not
21 have raised therein.

22 Further, the claim construction orders do not make clear, as
23 Acer Defendants and Intervenor contend, that only the technology
24 of the Intervenor, as the manufacturers of the network interface
25 adapters, is at issue or relevant to this case. For example,
26 claim 1 of the '094 patent claims a method that requires
27 "executing a frame transfer task initiated in the host system to
28 transfer a frame to a buffer memory in the network interface

1 device." The Court construed "frame transfer task" to mean, in
2 part, "A process initiated by the host system to compose a frame
3 of data or to perform other operations on or with respect to the
4 frame in order to transfer the frame to the buffer memory in the
5 network interface device." Docket No. 634 in 10-3724, 4 (emphasis
6 added).

7 Second, they argue that the Federal Circuit's decision in In
8 re EMC, 677 F.3d 1351 (Fed. Cir. 2012) constitutes new authority
9 that warrants reconsideration of the prior order. In In re EMC,
10 the Federal Circuit found that joinder of claims against
11 independent defendants, who were not acting in concert with one
12 another, is not appropriate under Federal Rule of Civil Procedure
13 20(a) if the plaintiff accuses products that are "independently
14 developed . . . using differently sourced parts . . . , even if
15 they are otherwise coincidentally identical," unless "there is an
16 actual link between the facts underlying each claim of
17 infringement." Id. at 1359. However, the court also reminded
18 district courts of their "considerable discretion" under Federal
19 Rule of Civil Procedure 42 to consolidate cases for discovery and
20 trial where they "involve a common question of law or fact." Id.
21 at 1360; Fed. R. Civ. Pro. 42(a). In denying the renewed motion
22 to sever in the December 7, 2012 Order, this Court held, "These
23 claims involve common questions of law and fact that would be most
24 efficiently handled on a consolidated basis for pretrial
25 purposes," and further stated, "After all case dispositive motions
26 have been decided, the Court will determine whether to sever the
27 claims against the various Defendants and Intervenor for trial."
28 Docket No. 669 in 10-3724, 6. Acer Defendants and Intervenor

1 offer no new reason that the Court should reconsider consolidation
2 of the claims at this time.

3 Accordingly, the motion for leave to file a motion for
4 consideration of the December 7, 2012 Order is DENIED (Docket No.
5 675 in 10-3724).

6 II. Stay of Claims against the AT&T Defendants and Zions
7 Bancorporation

8 On December 7, 2012, the Court directed USEI, AT&T Defendants
9 and Zions Bancorporation to file supplemental briefs addressing
10 whether the claims against AT&T Defendants and Zions
11 Bancorporation should be stayed pending resolution of the claims
12 against Intervenor and Acer Defendants.

13 In their supplemental brief, AT&T Defendants and Zions
14 Bancorporation describe themselves as "Retailers" and argue that
15 they are end-users who bought or license and use Ethernet-enabled
16 computers and printers in their offices and stores, that
17 resolution of the claims involving the Acer Defendants and
18 Intervenor will resolve the claims against them and that
19 therefore the claims against them should remain stayed. In
20 response, USEI states that it is willing to agree to a stay of the
21 claims against all of these Defendants, except AT&T Mobility, LLC,
22 "after some limited discovery relating to the nature and volume of
23 the accused products," if the stayed Defendants continue to be
24 bound by decisions of the Court, but that it opposes staying its
25 claims against AT&T Mobility, LLC.

26 USEI points to AT&T Defendants and Zions Bancorporation's
27 "refusal to be bound by the decisions of this Court relating to
28 the patents-in-suit" and states that this reveals that they intend

1 to "relitigate these issues once USEI's claims against the Acer
2 Defendants and Intervenor are resolved." Docket No. 406 in 10-
3 5254, 3. However, in the instant briefing, AT&T Defendants and
4 Zions Bancorporation have not made any such arguments. In their
5 brief, AT&T Defendants and Zions Bancorporation appear to
6 acknowledge that, if the claims involving them were stayed, the
7 decisions issued by this Court in the Acer case will be binding in
8 the related cases. See, e.g., Docket No. 674 in 10-3724, 4
9 (stating, "The case against the Chip Suppliers will resolve all of
10 the issues related to all but one chip currently asserted against"
11 them).

12 Accordingly, the Court stays the claims against the AT&T
13 Defendants and Zions Bancorporation, except as to AT&T Mobility,
14 LLC to the extent that such claims involve the AT&T U-verse
15 set-top box. These stayed Defendants will continue to be bound by
16 decisions of the Court during the pendency of the stay. If the
17 stayed Defendants wish to be heard on any issue, they may apply to
18 the Court to lift the stay for that purpose.

19 In its brief, USEI states that it would like to take "some
20 limited discovery relating to the nature and volume of the accused
21 products" from the stayed Defendants. Docket No. 406 in 10-5254,
22 2. However, USEI has not provided any information regarding the
23 discovery that it seeks and, in their brief, AT&T Defendants and
24 Zions Bancorporation complain of overly broad and burdensome
25 discovery that USEI has sought in the past. During the pendency
26 of the stay, USEI may obtain discovery from these Defendants only
27 to the extent it is relevant to the claims involving Acer
28 Defendants and Intervenor. If the parties are unable to agree on

1 the scope of such discovery, they may raise the issue with the
2 discovery Magistrate Judge in conformity with her procedures for
3 discovery disputes.²

4 Except as to the stayed Defendants and as specified above,
5 discovery may commence. Within three weeks of the date of this
6 Order, the non-stayed parties shall submit a joint case management
7 statement setting forth their proposed schedules for future dates
8 and shall make their best attempts to agree on dates. Except in
9 emergency situations, no additional motions shall be filed until a
10 case management schedule has been adopted.

11 CONCLUSION

12 For the reasons set forth above, the Court DENIES Acer
13 Defendants and Intervenor's motion for leave to file a motion for
14 reconsideration of the December 7, 2012 Order (Docket No. 675 in
15 10-3724). The Court stays the claims against the AT&T Defendants
16 and Zions Bancorporation, except as to AT&T Mobility, LLC to the
17 extent that such claims involve the AT&T U-verse set-top box
18 (Docket Nos. 154 in 10-3481, 674 in 10-3724 and 404 in 10-5254).

19 IT IS SO ORDERED.

20
21 Dated: 1/17/2013


CLAUDIA WILKEN
United States District Judge

22
23
24
25
26
27 ² All discovery disputes in Case No. 10-3724 have been
28 referred to Magistrate Judge Beeler. Docket No. 483 in 10-3724.
The Court hereby refers all future discovery disputes in Case Nos.
10-3481 and 10-5254 to Judge Beeler as well.